

Proposed gambling advertising ban will be counterproductive

29 July 2018

Dear Parliamentarian,

On Monday 30 July, the Italian Parliament will be asked to debate a proposed ban on gambling advertisements, a provision included in Article 9 of the 'Dignity Decree'. The European Gaming and Betting Association (EGBA), the Brussels-based association representing EU-established and regulated online gambling operators, and the Italian Online Gaming Association (LOGiCO) believe that the objective of the proposal to reduce gambling addiction is noble and well-intentioned but would like to draw your attention to significant concerns about the impact of the ban and its unintended effect.

The majority of people in Italy, like is the case elsewhere in Europe, place an online bet or play poker for fun and do so in a responsible manner. Yet problem gambling, which an estimated 1-2% of players in the EU are affected by, is a justified public health concern that can severely and negatively affect players - and it and its consequences should be addressed further. All stakeholders – parliamentarians, regulators, gambling operators, consumer and health organisations – must work closer together, and much more rigorously, in Italy and elsewhere, to find a multi-faceted solution to this complex problem. But while a total blanket ban on advertising may seem like an obvious measure, it is not a “silver bullet” and will actually have a counterproductive effect.

A ban will push more consumers to unregulated websites that do not protect them

An important aspect of gambling advertising is that it informs and directs Italian customers towards those gambling operators who are licensed to operate and comply with the rules in Italy. This is particularly true for the online environment where companies with gambling licenses in Italy have introduced the National Self-exclusion register, which enable any Italian resident to be included in a national register where they can exclude themselves from gambling, restricting automatically the use of existing gambling accounts and the opening of new ones with operators licensed in Italy. Without advertising, black market gambling will only increase. It will increase because Italian consumers will not be informed or directed to those websites that are licensed in Italy and away from those that are not – increasing the share of Italian customers accessing websites that are not licensed in Italy. As a result, the consequence of a total ban on gambling advertising will be that more Italian players will play on websites that do not comply with Italian consumer protection rules and which are outside of the view and influence of the Italian gambling regulator and health care providers.

The debate on the role of advertising is taking place not only in Italy. In all European countries there are also regulations and restrictions on advertising for the online gambling sector. In fact, the European Commission issued a [Recommendation](#) to Member States titled “*Principles for the protection of consumers and players of online gambling services and for the prevention of minors from gambling online*” which also addresses advertising and includes specific recommendations on advertising regulation. Importantly, the Recommendation concludes that: “**Commercial communication of online gambling services can play an important role in directing consumers to an offer which has been allowed and is supervised**”. The role of advertising to inform, guide and ultimately protect the consumer is crucial, it is also for that reason that no other Member States of the EU have a complete ban of advertising, but rather have specific measures to restrict advertising in order to protect minors and vulnerable people from being targeted by or subject to advertising.

Industry strongly supports responsible advertising measures

EGBA and LOGiCO strongly support measures to clamp down on irresponsible gambling advertising in order to protect consumers – particularly vulnerable people and minors. However, we are convinced a total ban of advertising will have a counterproductive effect to this goal and will result in more Italian consumers, including vulnerable people and minors, playing in the unregulated and unprotected gambling market. Rather than debating a complete ban on advertising, we call on the Italian parliament and government to debate ways and specific measures in which vulnerable people and minors can be better protected from aggressive and deceptive advertising. Regulation of advertising should be based on scientific studies and research, such as

have been carried out in other European jurisdictions (UK Gambling Commission study - Young People and Gambling, 2016). This is an important debate in which all online gambling operators, including those represented by EGBA and LOGiCO, will have to take their responsibility. We stand ready to do so.

We therefore ask for your support to amend the provisions of the Decree to replace a total blanket ban of gambling advertising with specific, targeted measures to improve the protection of vulnerable people and minors.

Yours sincerely,

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Secretary General
EGBA

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President
LOGiCO